

# Priority Based Budgeting Update

March 11, 2013

# Priority Based Budgeting Workshop Agenda

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- History
- Implementation of Priority Based Budgeting
- Success Stories
- Programs Reviewed
- Suggested Next Steps

# History

# History

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- What led Douglas County to Priority Based Budgeting?
  - On-going, structural General Fund Deficit
  - Across the Board Budget Cuts
  - Need to shift conversation from across the board cuts to focus the discussion on value added programs to the community

# According to Moody's:

- ▶ **Across-the-Board versus Targeted Budget Cuts:**
  - ***“Across-the-board cuts can be a way to avoid tough decisions”***
  - ***“Targeted cuts require a serious discussion of community values, relative benefits of different services, and long-term implications”***
  
- ▶ **Rating agencies want to see how local governments plan for and respond to financial challenges over the long term**
  - ***“Making targeted cuts can demonstrate a more strategic approach to managing the fiscal crisis”***

# *What is Priority Based Budgeting?*

- A long-term organizational change in the local government budgeting process to assist in evaluating County programs and services, and in allocating resources.
  - A tool to find opportunities to shift resources based on priorities.
  - A tool to identify cost recovery opportunities within programs.
  - A tool to identify programs with possible alternative service providers/regional collaboration.
  - A tool to assist the Board in appropriating available resources in the Budget.
  - A tool for continuous improvement in providing efficient and cost effective services.

# Implementation

# Implementation

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- County Commissioners, Department Directors, and Elected Officials met to define the desired **Community Results** (priorities) in November 2011:
  - Economic Vitality
  - Managed Growth and Development
  - Preservation of Natural Environment, Resources and Cultural Heritage
  - Reliable, Well-Maintained Infrastructure
  - Safe Community
  - Financial Stability (Governance)
- Department Directors and Elected Officials began to develop a list of programs for their areas in December 2011.



# Implementation

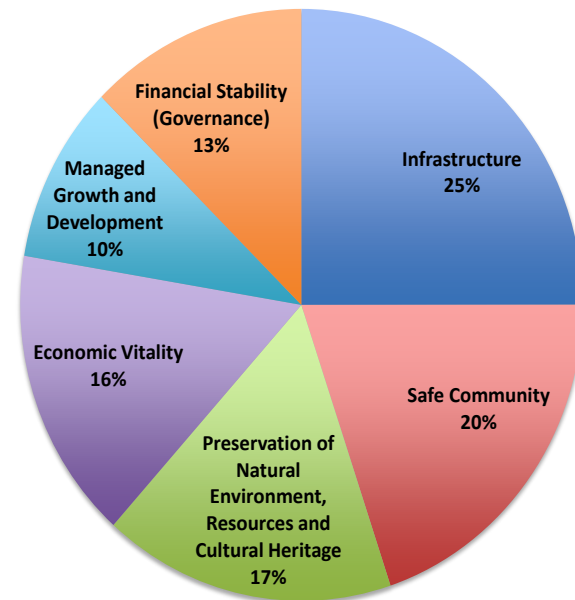
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- Department Directors and Elected Officials scored programs against community results, peer review groups evaluated the scores in January 2012
- Departments did a quality review of their scores and programs in August 2012
- County Commissioner workshop to review status of Priority Based Budgeting in October 2012

# Implementation

- Peer review groups evaluated the scores again in November 2012.
- Engaged the public in on-line **Budget Challenge** in November 2012
  - Public validated County Commissioner's community results
- Priority Based Budgeting Model was presented to the Board on December 10, 2012

Results of Douglas County Budget Challenge



# Success Stories

# Success Stories To Date

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- Community Development – Home Based Occupancy Permits
  - Through the costing of their programs realized the revenue generated from home based occupancy permits did not cover the staff time expended for the program
  - Determined program was not meeting a community result and staff could be allocated to better meet other community needs, like monitoring vacation home permits
  - Board approved to eliminate home based occupancy permits on November 1, 2012.

# Success Stories To Date (continued)

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- County Manager Departments – Notary Services for Non-County business
  - Identified fees did not adequately cover the costs and employee work interruption
  - Determined there are private businesses/ other entities that provide the same service
  - Board approved on February 7, 2013 to discontinue providing notary services for non-county business

# Success Stories To Date (continued)

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- Finance Division Re-Organization
  - Department organized more efficiently based on Priority Based Budgeting programs
  - Saved \$106,000 per year
  - Reduced staffing by 1 management position
  - Board approved reorganization on December 20, 2012

# Success Stories To Date (continued)

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- Tahoe Justice Court – seeking Justice Court Clerk
  - 70% of new position allocated to high priority based programs
  - Will assist in alleviating current back log of work
  - Allows for more efficient operations at Tahoe Justice Court
  - Board approved staff position on January 17, 2013

# Programs Reviewed



# Direction from Board on December 10, 2012

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- County Staff will review programs with the following criteria:
  - Are not federally or state mandated
  - Scored less than a 3 on **ALL** Community Results
  - Ranked as a quartile 3 or 4 program

# Results

## Programs not mandated by the Federal or State Government and scored less than a 3 on all community results

Department	Program Name	Quartile Group	Cost of Program	Fund	Total FTE
Community Services	Zephyr Cove Tennis Complex	3	\$ 5,175	Room Tax (234)	0.05
Public Works	Meter Reading - Customers	3	\$ 96,305	Water & Sewer Utility (316-325)	0.57
Public Works	Utility Billing	3	\$ 209,607	Water & Sewer Utility (316-325)	1.27
Town of Gardnerville	Curbside leaf and limb program	3	\$ 1	Town of Gardnerville Health & Sanitation (611)	0.00
911 Emergency Services	911 Public Outreach	4	\$ 93,742	911 Emergency Services (255)	0.98
Clerk/ Treasurer	Notary Bonds	4	\$ 3,872	General (101)	0.09
Clerk/ Treasurer	Outdoor Festival Permits	4	\$ 3,872	General (101)	0.09
Clerk/ Treasurer	Filing Contracts & Agreements	4	\$ 3,972	General (101)	0.09
Clerk/ Treasurer	Website	4	\$ 5,064	General (101)	0.08
Clerk/ Treasurer	Nevada Counter Registrations - Customer Problem Resolution	4	\$ 80,881	General (101)	1.26
Clerk/ Treasurer	Issue Titles	4	\$ 5,824	General (101)	0.20
Clerk/ Treasurer	Out of State Registration	4	\$ 5,824	General (101)	0.20
Clerk/ Treasurer	Other DMV Transactions	4	\$ 21,595	General (101)	0.41
Library	Circulation Desk Services	4	\$ 142,770	Room Tax (234)	1.65
Library	Development Services	4	\$ 35,543	Room Tax (234)	0.35
Library	Homebound Delivery	4	\$ 23,612	Room Tax (234)	0.25
Library	Public Events Marketing	4	\$ 31,440	Room Tax (234)	0.35
Library	Young Adult /Teen Services Programs/Services	4	\$ 16,673	Room Tax (234)	0.15
Library	Youth Detention Facility Services	4	\$ 10,227	Room Tax (234)	0.10
Public Works	Franchise Agreements & Rates	4	\$ 28,854	Solid Waste Management (211)	0.08
Public Works	Engineering and Project Management	4	\$ 142,321	Solid Waste Management (211)	0.39
Public Works	BlueGo Bus Service	4	\$ 21,494	Tahoe-Douglas Transportation District (236)	0.02
Public Works	Contract and Project Management	4	\$ 146,798	Tahoe-Douglas Transportation District (236)	0.09
Public Works	Landscape Maintenance	4	\$ 50,158	Water & Sewer Utility (316-325)	0.28
Public Works	Utility Connection Permits	4	\$ 193,505	Water & Sewer Utility (316-325)	1.03
Town of Gardnerville	Development of new community events	4	\$ 550	Town of Gardnerville (610)	0.01
Town of Gardnerville	Special Events (Movies in the Park, Christmas Kickoff)	4	\$ 9,099	Town of Gardnerville (610)	0.13
Town of Gardnerville	Holiday decorations (Downtown)	4	\$ 5,860	Town of Gardnerville (610)	0.06
Totals			\$ 1,394,638		10.23

Reviewed programs \$50,000 or  
above (highlighted in gray)

Priority Based Budgeting Update  
March 11, 2013

# Public Works – Water Utility Systems (3 Utility Programs reviewed as one)

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## Utility Connection Permits, Meter Reading and Utility Billing

- Description – Water and sewer connection permits, monthly customer meter reads and monthly billing in Water Utility Funds
- Background
  - .85 FTE Deputy Treasurer in Treasurer's office allocated to different water systems, other Public Work's employees to connect utilities to system, monitor read meters and monitor water systems.
  - All costs are supported by user fees from water utility systems
  - We already use a third party to print and mail monthly billings
  - Currently evaluating opportunities to allow customers to conduct their business (review and pay bill) online
- Recommendation – Public Works, Treasurer and Finance to work together to identify efficiencies and better service to our customers.

# Public Works – Water Utility Systems

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## Landscape Maintenance

- Description – Contract services for maintenance of landscaping at water and wastewater facilities in Water Utility Funds
- Background
  - Although not federally or state mandated, it is required by county code and helps with our community landscape.
  - Public Works monitors contractor to ensure most cost efficient landscaping is installed and maintained.
  - Supported by user fees from water utility systems
- Recommendation – Public Works should continue to monitor contract to ensure landscape maintenance continues to be most cost efficient.

# Public Works – Solid Waste

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## Engineering and Project Management

- Description – Regulatory Reporting for post closure of solid waste facility in Solid Waste Fund
- Background
  - This fund is completely funded by regulatory fees
  - This fund regulates and monitors post closure of the old dump
  - After review, this should have been scored as a federally required program
- Recommendation – During the next department update to Priority Based Budgeting Models, correct score for federally or state mandated.

# Public Works – Tahoe Douglas Transportation District

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## Contract and Project Management

- Description - Engineering and management of transit projects in Tahoe Douglas Transportation District
- Background
  - Supported by a portion of Lake Occupancy Tax collected
  - Expenditures are restricted per NRS 244.33512 (2)&(3)
  - A couple of years ago, staff realized they were budgeting more than they were collecting. They prioritized their projects in that fund to available funding.
- Recommendation: Staff should continue to monitor available funding and fund projects or needs that are of higher priority in the county and within allowed uses per NRS 244.33512 (2) & (3)

# 911 Emergency Services

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## 911 Emergency Public Education Services

- Description – provide educational services to the general public directly relating to the proper use of the 9-1-1 emergency reporting system.
- Background
  - 911 operations are supported by a voter approved dedicated property tax rate and user fees from fire and police around the region.
  - 911 has created teams for different functions – outreach being one team
  - Staff perform outreach functions on their days off, and usually earn overtime
  - It is preventative to teach/inform the public on proper use of the 911 system.
  - Staff also recognize this function is a low priority, as such, the budget is closely monitored to determine if outreach can be performed or needs to be postponed until funding is available.
- Recommendation – Staff should continue to monitor their budget and perform outreach functions as the budget would allow.

# Library

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## Circulation Desk Services

- Description – Registration, Checkout, Self Check Training, Patron Account Training (Front Desk)
- Background
  - Although not specifically federally or state required, if we have a library, we do have minimum standards to maintain the library per State Law
  - This program did not meet any community results, because there currently is no result or strategic goal that addresses education. This raised a bigger context question as to whether a goal should be modified. This was discussed earlier during the Strategic Plan Quarterly update.
- Recommendation – Commissioners discussed a possible strategic goal earlier today during the Strategic Plan Update.



# Clerk/Treasurer (Four motor vehicle programs reviewed as one)

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## Motor Vehicle Program Descriptions

- Nevada Counter Registrations – Customer Problem Resolution – reviewing the required documents necessary to allow the vehicles/trailers to be registered in Nevada
- Issue Titles – reviewing of the title certificates submitted and verifying the validity of the back-up documents necessary to transfer ownerships of vehicles/trailers from sellers to buyers
- Out of State Registration – receiving packets from out of state dealers/ companies needing our assistance with titling and registering of vehicles that are leased in the State of Nevada
- Other DMV Transactions - includes interactions with customers, inventorying, reporting and ordering of license plates, decals and supplies, daily balancing and reporting of DMV transactions

# Clerk/ Treasurer – Motor Vehicle Programs (continued)

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## ■ Background

- In 2000, The Clerk-Treasurer took over operation of Motor Vehicle services from County Assessor
- In 2009, State closed their satellite DMV office in Douglas County.
- DMV services are provided from our Lake Tahoe Office. DMV transactions are taken at the valley office and send via interoffice mail to the lake for processing.
- DMV services cost the county around \$150,000 a year to operate and the county is reimbursed about \$91,000 from the state. The net cost to the county is about \$65,000. Total FTE dedicated to DMV services is 2.11.
  - These costs and FTE do not include cost of personnel time in the valley for valley transactions.
- Although there might be a possibility to negotiate with the State for additional reimbursement, these additional funds still would not cover the full cost of the program.

## ■ Recommendation – Seek Board Direction

# Suggested Next Steps

# Suggest Next Steps – Next Quarter Update

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For Next Quarter in June 2013:

- Staff will continue to follow up on any programs discussed today
- Staff propose to review programs that have indicated that they recover 50-74% of the cost to provide the program through program fees
  - Determine if the cost recovery could be higher, either by:
    - Increasing fees
    - Decreasing costs
- Results will be presented at next strategic plan and priority based budgeting update

# Suggest Next Steps – Next Fiscal Year

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For Next Fiscal Year:

- Continue to improve Priority Based Budgeting Model:
  - Department Directors and Elected Officials will be asked to update their programs with 2013/14 budget numbers, and
  - Review programs to determine if changes should be made, paying particularly attention to defining programs not tasks of a program
  - Review scoring and determine if it should be updated
  - Review program revenue

## Suggested Next Steps:

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This is a long-term organizational process, we will continue to refine the model and review programs